

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, JUNE 08, 2016

I. CALL TO ORDER

- Mayor Miller called the meeting to order at 6:00PM. Council members in attendance: West, Miller, Baker, Tissot. Fulkerson absent.
- City Staff in attendance: City Manager Dan Berman, City Clerk Gabriel Adams.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION

1. *Conference with legal council regarding active litigation. Tsurai Ancestral Society vs. City of Trinidad. Pursuant to California Government Code section 54956.9 (a)*

IV. RECONVENE TO OPEN SESSION – Nothing to report.

V. APPROVAL OF AGENDA

*Motion (West/Baker) to approve the agenda as written, and to allow Trinidad Rancheria staff additional time for a brief presentation during items from the floor regarding their proposal to place the Harbor land into Federal Trust status. **Passed 4-0.***

VI. APPROVAL OF MINUTES – April 13, 2016 cc, May 10, 2016 scc, and May 19, 2016 scc
*Motion (Baker/Tissot) to approve the minutes as written. **Passed 4-0.***

VII. COUNCIL MEMBER REPORTS:

West: Nothing to report.

Baker: Nothing to report.

Miller: RCEA explained Community Choice Aggregate Program.

Tissot: North Coast Museum Alliance Program event coming to Trinidad tomorrow.

VIII. STAFF REPORTS:

City Manager Berman submitted a report to the City Council at the meeting highlighting various accomplishments and project status for the month, including;

- Recognized Public Works for hard work maintaining the city trails and landscape maintenance.
- Grant application status.
- Tsurai Study Area meetings ongoing.

IX. ITEMS FROM THE FLOOR:

Ben Morehead – Trinidad Coastal Land Trust

As a frequent user of Trinidad Trails, there is a need to improve vistas and scenic views. Trinidad Head vegetation management plan needs to be revisited. Many of them have not been cut back in years.

Katherine Wayne – Trinidad

Fish Fest has many volunteers. Invited the public to come to the event on Father's Day in June.

Marna Powell – Community Arts Trinidad

Requested that the City Council consider supporting Trinidad Arts Night through funding donation or by allowing the event to use the Town Hall facilities free-of-charge. This is a family friendly event, and expenses used to promote Trinidad mostly come out-of-pocket. Any assistance is greatly appreciated.

Shirley Laos, Jacque Hostler-Carmeson, Garth Sundberg – Trinidad Rancheria

Slide presentation introducing a proposal to take the Harbor properties into Federal Trust status. The outline included a brief background, objectives, mission statement, a historical timeline, community demographics, tribal government, government authorities, harbor purchase, investments, trust application process, partnerships, and trust advantages. City Manager Berman noted that the public will have opportunities to

provide public input as the process unfolds, and Mayor Miller recognized the dual responsibilities that both governments have over the land.

Pat Morales – Trinidad

The City can't comment on items from the floor. There is no way to determine how much was spent by the City Planner on the VDU process by looking at their bills. VDU's should be added to the General Fund as a subsection expense account. Will be sending another request for records related to City Planner/VDU time and expenses. Planner has a conflict of interest. Any exceptions made in the application process and water consumption records should be public record. Quoted emails between city manager and planner.

Kathleen Lake – Trinidad

Support in-house Planner. Here to talk about the General Plan. Hope that before the VDU Ordinance comes to the Council, the Council has the old and new General Plans prepared. Discussed VDU's with Jim Baskin of the State Coastal Commission about recent changes to policies.

Susan Rotwein – Trinidad

Suggest that the City offer funds to support mediation to Ocean Avenue residents. Septic systems are the real emergency, not visitors or vacation rentals. Staff time should be re-prioritized. OWTS has been on the books for over 7 years and it's the program is just getting started.

X. CONSENT AGENDA

1. Financial Status Reports for April 2016.
2. Law Enforcement Activity Reports for March, April, May 2016
3. Contract for Services with State Controllers Office to Prepare the Annual Street Report
4. Letter of Support for BLM, USGS, and North Pacific LCC to Develop a Sea Level Rise Vulnerability Assessment.
5. Approve Contract with Marcello & Company to Perform the 2016 Annual Audit.
6. Authorize Submittal of Grant Application for Little River Trail Design and Permitting, and Authorize City Manager to Sign MOU with Trinidad Coastal Land Trust for Trail Maintenance.
7. Approve Grant Application for Storm Water Management Improvement Project, Final Phase

Motion (West/Tissot) to approve the consent agenda as submitted. Passed 4-0.

XI. DISCUSSION/ACTION AGENDA:

1. Discussion/Decision regarding Ordinance 2015-02b; Extension of VDU Moratorium to the full 2-Year Period.
City Manager Berman explained that the first moratorium was approved by the Council on June 30, 2015, and extended in August to June 30, 2016. In order to adopt and continue a moratorium, the City is required to make findings that a threat to the City's general welfare exists. The threat of ongoing home conversions to vacation rentals has been described in detail over this past year. The expansion - if the moratorium is lifted - will continue to negatively impact the community if regulations aren't put in place to limit such threat. If the moratorium is not continued at tonight's meeting, there could potentially be more VDU's permitted which would make the challenge of transitioning to less VDU's more difficult when the ordinance amendments are imposed.

City Attorney Stunich recognized a letter written by Redding Attorney Walt McNeill for challenging the city, but disagrees with much of the statements and content. In 2009 there were NO regulations or ordinances. There are new circumstances since the number of VDU's has increased substantially since then. Trinidad is doing everything legally, and faces a legitimate problem that any city would feel compelled to address. I appreciate the spirit of the letter, but do not agree with it.

Stunich also recommended that Council authorize the City Manager to publish a written report, consistent with the legal process, that describes measures that have been taken to alleviate the emergency situation including, but not limited to; ordinance rewrite process, numerous public meetings, discussing a cap, etc...

Miller: Proposed adding Section 7 authorizing the City Manager to produce a report documenting activity in response to VDU issues as required by the moratorium process, and request Council to set a deadline of June 28 to complete the ordinance re-write.

Public comment included:

Walt McNeill – PORT Attorney

I'm convinced that what you are doing is a repeat of the 2009 moratorium process. No ordinance was in place then, and just because more applications have been submitted doesn't necessitate another moratorium. Discussed case law (Martin v. Superior Court), and explained that there isn't a report of the measures taken to alleviate the emergency. This delay is painful to the VDU owners. The moratorium has been used to not renew existing licenses. With respect to real estate values, VDU permits have been estimated at up to a \$200,000 value. The stakes are high, which justifies a great deal of concern from the owners & operators. There is no current and immediate threat to public health and safety. There are no facts to support the argument that residents are being displaced and therefore fewer citizens to volunteer. A moratorium on land use is a very serious issue.

Jonna Kitchen – Trinidad

Referenced a book titled "The History of Trinidad", noting that for well over a century Trinidad has been a tourist town that experienced dramatic economic changes. I disagree with the moratorium. The biggest threat to public health and safety is private septic systems. The city has been gridlocked with VDU issues. Last year there were only 3 complaints filed. Public safety is the number 1 concern of the City. The City Council and Planning Commission have spent over a year trying to completely re-write the existing ordinance. Determine the cap and move on. Anything less is mis-management.

Kathleen Lake – Trinidad

I live next to a VDU. It has impacted my health and safety. 15% of the homes in town are being used commercially as rentals. I have complaints that haven't been addressed. Property managers can't answer their phones. At a public meeting last year, many residents asked that vacation rentals be phased out.

Katherine Wayne – Trinidad Area

I sympathize with both sides of the argument. I have rentals on both sides of me. This is a very difficult process.

Dorothy Cox – Trinidad

Speaking for Ocean Avenue and Wagner Street residents, vacation rentals cause many issues that locals take the brunt of. Until it's settled, there will continue to be problems.

Susan Rotwein – Trinidad

I appreciate Dorothy and Kathleen's comments. The City should provide mediation for the Ocean Avenue residents. Echoing Jonna Kitchen's comments, this is a very painful process for both sides. If the moratorium is continued, this process needs to be completed within 1 year from today. There needs to be a cap and regulations, but we need to move on from this so we can start planning for the future.

Council comments included:

West: The Planning Commission has put a lot of work into this so far. The process takes time, and it's important to listen to complaints and respond. We need to get this under control and the moratorium should be extended. It will be a mistake if not.

Baker: What conditions must be met to complete the moratorium conditions? We gave the Planning Commission the job and we should let them finish.

City Attorney Stunich referenced government code and explained findings required to demonstrate affects to public health and safety. Argued that the City is in good shape and position with regards to the moratorium.

Tissot: There are conflicts, investments, and expectations from both sides of the issue. Its unfortunate there weren't rules written earlier but there has to be a level playing field. I like what Susan Rotwein said about planning for the future. We need to get it right, and I'm in favor of approving the extension. If not, investments will be made and the game will change after-the-fact.

Miller: I support the moratorium, and to make sure we get it right the first time quickly and cautiously.

*Motion (West/Baker) to approve the final moratorium extension, adding Section 7 authorizing the City Manager to document progress to-date as per government code. **Passed 4-0.***

2. Discussion/Decision regarding Resolution 2016-08; Adopting the FY 2017 Budget

City Manager Berman explained that the proposed FY 2016-17 City of Trinidad budget is hereby submitted to the Council for adoption. The budget has been discussed at two prior Council meetings this spring.

Detailed sheets showing the Budgeted Revenues and Expenses for the different City Programs Areas are attached. A brief summary of the overall budget and specific projects follows:

General Fund

Expected General Fund Revenues: \$597,000

Expected General Fund Expenses:

Administration	\$341,000
Police	\$ 73,000
Fire	\$ 17,000
Public Works	\$165,000

Total GF Expenses: **\$596,000**

Staff expects that year end expenses for the current year will be under budget, leaving us with a net surplus at year end. Those funds will add to our reserves and provide some cushion for the coming year, which is projected to just break even.

Budget Discussion

Personnel

- Continuation of 6.025 full time equivalent (FTE) positions with Grant Manager (Becky) allocated 30% to General Fund (\$25,000).
- 1.5% salary adjustments (based on California CPI) for all hourly employees, plus regular 2.5% promotional progression in accordance with the procedures set forth in the Employee Policies Manual (total equivalent annual increase of 1.5% for employees at the top step in their classification and ~4% for employees not currently at the top step in their classification).
- Medical insurance factored at a 10% increase January 2017.

General Fund Revenues

- Assumes Trinidad voters approve continuation of existing Sales Tax. Sales tax, is the single highest revenue source for the City if you combine the 'base' tax we receive automatically (estimated at \$120,000 next year) and the voter approved ¾% 'add-on' about \$100,000).
- Transient Occupancy Taxes estimated at \$130,000 after TBID pass through.
- Complex State 'Triple Flip' finally ending – 'in lieu' payments reduced, but base sales tax revenue to go up to 1% from ¾%
- Gas Tax Revenues are down statewide. These are not general fund moneys, but we rely on them to help support road maintenance expenses and pro-rated salaries of public works employees working on road-related activities.
- The revenue estimate includes a transfer of \$30,000 into the GF from a combination of smaller state funding sources (Gas Tax, TDA funds) to offset public works expenses eligible for those funds.

General Fund Administration (1.73 FTE)

This budget unit funds pro-rated employee salaries, liability, property and casualty insurance, contracted planner, building official, attorney, financial contractor, bookkeeper, auditor, lease of city annex and new library, utility costs, distribution of transient occupancy taxes (TOT), and office supplies

- Planner activities budgeted as follows*

General Plan/LCP	\$ 18,000
VDU	10,000

Planning Commission	5,000
Permits (offset by revenue)	
Code violations	2,000
Stormwater permit issues	1,000
Miscellaneous, general planning	4,000
Septic Permits	<u>5,000</u>
	45,000

*excludes separately funded OWTS Grant and LCP Grant

- Attorney costs are estimated at \$20,000, which includes \$10,000 toward defense of litigation.
- Building Official \$4,500 plus reimbursable permit process fees.
- Distribution of 12% of prior year TOT receipts (~\$15,000)

General Fund Law Enforcement (.13 FTE)

- \$75,000 in Measure Z funds will be used to go from one (1) to 1.5 full time Deputy Sheriffs. This will move us from having an assigned deputy 4 days a week to six days a week, and this second Deputy will be specifically assigned to Trinidad for two days a week, as opposed to coverage from different people each week.
- This additional deputy will replace the extra eight hour shift per week that we have been funding.
- \$100,000 is anticipated to be funded by Community Oriented Policing Services (COPS) revenue, same as has been the case over the last several years.

General Fund Fire

- We should be going out to bid soon on the addition to the back of the Fire Hall. Depending on the responses, we may need to consider utilizing reserves to complete this project.

General Fund Public Works (1.03 FTE) *(75% Water Fund)

Budget includes pro-rated staffing costs, town hall, annex and library supplies, street paint, signs, trail and park maintenance. Specific Projects include:

Tsurai Study Area Projects (fencing, hand rail..)	\$20,000
Asphalt work on Scenic Drive	\$ 3,500
Restriping on N. Westhaven Dr. and Patrick's Point Dr	\$ 4,000
*Capital Improvement Plan	\$ 2,500
*Asset Management Software Package	\$ 2,500
Memorial Lighthouse Parking Area - <i>Waiting for construction estimates -</i>	

Integrated Waste Management (.28 FTE)

This Budget includes pro-rated staffing costs, franchise revenue and AB939 pass through from Humboldt Waste Management Authority.

Revenue:	\$ 13,000
Expenditures:	\$ 21,000
Difference (from fund balance)	\$ (8,000)

The difference of \$8,000 can be absorbed from the remaining IWM fund balance of \$17,540. The program can be incorporated into the General Fund once the fund balance is depleted.

Cemetery (.35FTE)

Budget includes pro-rated staffing costs and plot sales.

Revenues:	\$ 9,500
Expenditures:	\$ 25,000
Difference (from reserve)	\$ 15,500

Cash assets in this fund are approximately \$100,000, and will cover this deficit. The cemetery is steadily losing funds, and a review of plot costs is needed or the General Fund will have to start subsidizing cemetery maintenance in the long run.

Water Fund (2.05 FTE)

The City's Water Enterprise Fund is doing well. We have completed major improvements to the Water Treatment Plant in recent years. This budget includes:

- Setting \$15,000 aside for reserves
- Installation of a stream flow monitoring system.
- Purchase and set-up of an Asset Management Software package
- Repairs and maintenance for a large Pressure Relief Valve that protects the lower areas of town from overly high water pressure
- Continued application of our new leak detection tools
- Development of a Capital Improvement Plan to help identify and prioritize capital investment needs.

Water Fund Summary Budget:

Revenue:	\$ 314,000
Expenditures:	\$ 307,000
Difference (add to fund balance)	\$ 7,000

There was no public comment.

*Motion (West/Tissot) to approve Resolution 2016-08; Adopting the FY 2017 Budget. **Passed 4-0.***

3. Discussion/Decision regarding First Reading of Ordinance 2016-01; Authorizing Participation in the Community Choice Aggregation Program

RCEA Executive Director Matthew Marshall explained that the City of Trinidad has been involved in the development of the proposed CCA for the past 18 months through membership in the RCEA JPA and via City Council meetings and Special Workshop meetings. Most recently the City of Trinidad approved amendments to the JPA to allow for the further development of a CCA as part of RCEA. Since that time, RCEA has continued to move the CCA project development forward. In 2002, the state provided local communities with the opportunity to procure electric power for their residents through establishment of community choice aggregation programs under Assembly Bill (AB) 117.

Unlike a traditional municipal utility in which the city or county owns all of the infrastructure to generate and distribute power and service customer needs, community choice aggregation programs utilize the existing wires and equipment of incumbent investor-owned utilities. (In Humboldt County's case, this would be Pacific Gas and Electric Company (PG&E).) The community choice aggregation program purchases power, which is then delivered, metered and billed by PG&E. A joint powers authority can function as a community choice aggregator. Based on interest from member agencies the RCEA Board has approved revisions to the JPA which will allow RCEA to implement a CCA program

There was no public comment.

*Motion (West/Tissot) to approve the first reading of Ordinance 2016-01; Authorizing Participation in the Community Choice Aggregation Program. **Passed 4-0.***

XII. ADJOURNMENT

Meeting ended at 9:35pm.

Submitted by:

Gabriel Adams
City Clerk

Approved by:

Dwight Miller
Mayor